

**Study Meeting**  
**Monday, February 24, 2014, 5:30 p.m.**  
**Bloomington Civic Plaza**  
**1800 West Old Shakopee Road**  
**Bloomington, Minnesota 55431-3027**

**Call to Order**

Acting Mayor Tim Busse called the study meeting to order at 5:30 p.m.

**Roll Call**

*Present:* Acting Mayor Busse, Councilmembers C. Abrams, J. Baloga, A. Carlson, D. Lowman, and J. Oleson.

*Absent:* Mayor Winstead.

**STUDY ITEM #1 –  
External Auditor  
Overview of Annual  
Auditing**

Lori Economy-Scholler, Chief Financial Officer introduced Dave Mol, HLB Tautges Redpath who presented the External Auditor Overview of the annual auditing activities for 2013. His presentation included the following slides:

- Agenda
- Communication to Those Charged with Governance
- Volume of Activity: A \$164,000,000 entity with approximately 570 Full-time Employees
- Reports Issued at Conclusion of Audit
- Audit Timeline
- New Accounting Standards for 2013: GASB No. 61 (no effect on the City of Bloomington) and GASB No. 65 – (items previously reported as assets and liabilities).
- New Accounting Standard Regarding Pensions – 2015: GASB No. 68 (Accounting and Financial Reporting for Pensions).
- Final Audit Presentation – June 2014
- Financial Trends
- Financial Trends – Tax Rate as a Percentage of Total Rate
- City Net Debt: Net debt as of 12/31/12 was \$24 million.
- Questions or Comments? HLB works for the City Council but works with City staff to complete the audit. Dave Mol offered to meet individually with Council members.

Mark Bernhardson, City Manager stated appointments for Council members to meet with Mol could be set up ahead of the Regular Council meeting at the end of March or early April.

Carlson asked if the auditor's presentation at the June 23<sup>rd</sup> meeting will be a public hearing.

Bernhardson said it's not a public hearing; only a presentation. It will be presented as an organizational item for formal acceptance. He stated this is HLB's eighth year serving as the City's external auditor. He said the City needs to review the external auditor appointment every five years so will probably interview a couple of other firms for the year 2015. He added the City has received the Comprehensive Annual Financial Report (CAFR) award for 42 consecutive years.

Mol added Bloomington is one of 27 cities out of 19,000 cities to have three AAA ratings.

*(Council had no more questions.)*

**STUDY ITEM #2 –  
Community Health  
Assessment – Top 10  
Community Health  
Issues**

Karen Zeleznak, Public Health Administrator introduced Jim Janssen, a Public Health Data Planner. Together they presented an overview of the City's priority community health issues as follows:

- Purpose
- Responsibilities
- Implement Plans, Monitor Progress, and Revise Plans as Needed Diagram
- Community Health Assessment to Community Health Improvement Planning Process Diagram
- Top 10 Community Health Issues
- Population by Age: 2010 (*Jim Janssen*)
- Minority Distribution: Approximately 22% of Bloomington's population is minority
- Minority Growth
- 2012 Poverty Rate by Census Tract with Council Districts and Precincts
- Children Less than 18 Years Old Living in Poverty (2012)
- Nutrition, Obesity, and Physical Activity
- Enrolled in Free and Reduced Lunch
- 2012-2013 Elementary School Free or Reduced Lunch Enrollment by School Zone
- Population by Age (2010)
- Aging of the Population
- Alcohol, Tobacco, Drug Use and Abuse: (Alcohol)
- Alcohol, Tobacco, Drug Use and Abuse: (Tobacco)
- Social and Emotional Wellbeing
- Mental Illness: (12<sup>th</sup> graders)
- Mental Health: (Adults)
- Intentional Injury Prevention: (Majority of individuals are 45-64 year olds)
- Maternal and Child Health: (mothers with limited or no pre-natal care)
- Maternal and Child Health: (percentage of low birth weights)
- Immunizations
- Infectious Disease: (Pertussis cases in Bloomington, Edina & Richfield)
- Individual & Family Emergency Preparedness
- Food-Borne Illness Prevention

City Council Comments/Inquiries:

Busse said it would be helpful to see this data over a longer period of time.

Bernhardson replied it would also be good to compare Bloomington to the Minnesota-wide data.

Zeleznak said Bloomington resembles the Minnesota average because the higher and lower percentages across the city come together.

Oleson asked if there was a collaboration going on with the School District

Zeleznak replied yes, especially regarding immunizations. She said the School District is very much aware of these issues. She reported the School District partnered with Fairview to have a clinic at the Pond Bloomington and Richfield Early Childhood Family Center. She said this will be back to Council for formal approval in the near future.

Abrams asked if Council members were supposed to list their Top 10 or 5 in some order.

Zeleznak replied the previous Council didn't want them prioritized but it's up to the Council.

Baloga questioned how the *do*.Town efforts over an 18-month period melded into addressing the Top 10 Community Health Issues facing the Council.

Zeleznak explained Blue Cross Blue Shield (BCBS) funded the community's engagement on that project and so the City is working to keep people engaged in that effort via the City's e-subscribe.

Bernhardson stated BCBS isn't working on this project any more but policies are moving forward.

**STUDY ITEM #2  
continued**

Zelevnak commented *do*. Town was about enhancing the work of the Statewide Health Improvement Program (SHIP). She said the focus of SHIP was around reducing tobacco use and decreasing obesity through initiatives that looked at better nutrition and increasing physical activity. She reported the Council will soon receive an Alternative Transportation Plan (ATP) update.

Abrams thanked Zelevnak for her 14+ years of service to the City of Bloomington.

*(There was no Council discussion on this presentation.)*

**STUDY ITEM #3 –  
2014 Planning  
Commission  
Work Plan**

Glen Markegard, Planning Manager presented an updated 2014 Planning Commission Work Plan per Council's request at their January 27<sup>th</sup> Study meeting. He requested Council prioritize the projects and comment on any projects they'd like to see added. His presentation was as follows:

- Penn American – Rezoning: Penn-American District vs. the South Loop District. The question is, which one should come first. (Yellow area on the map is proposed for rezoning. Development activity in the area includes Kraus-Anderson, Luther Infinity plans to build this year, and a couple of land owners with long-term interests, and some developers interested in developing multi-family housing and senior housing in the area.

Bernhardson said the Penn American rezonings will come back to Council in the April/May timeframe and that once adopted, the moratorium will be removed.

- South Loop – Rezoning: (Alpha A & B parcels have already been rezoned and there has been discussion regarding the Thunderbird site.)
- Planning Commission 2014 Work Plan Project Timing and Prioritization: Staff recommends prioritizing the Penn American projects first. Per the chart that was included in the agenda materials, the green items are considered a first priority, the yellow items a second priority, and the blue items a third priority.

Markegard asked Council if they agreed with the priority timeline and asked if there were any projects they wanted added or removed.

Carlson said the green (first priority) items appear to be obvious.

Oleson inquired as to the elements in the Minnesota River Valley Plan.

Markegard stated the intent of the Minnesota River Valley Plan is to make the river valley more of an amenity including the Old Cedar Avenue Bridge and the trail connections.

Baloga commented on the South District Information Technologies District Adoption stating there is nothing going on in this area.

Markegard said staff has talked with owner of the Adjoining Lands and the Mall of America and adoption of the IT District was put on hold to allow the negotiations between the Mall and the Adjoining Lands owner. He said the following uses would be allowed: office, hotels, clean technology uses, etc. while more of a smoke stack industrial use is prohibited. He said these are areas whereby residential uses are not allowed.

Baloga asked what other items could be inserted there.

Lowman agreed the Penn & American District, as it's under a moratorium, should be a high priority. He asked if it could get done a little faster.

Markegard said this is the earliest timeline for Council to adopt the Comp Plan Amendments (April 7), as it needs to get reviewed by the Met Council before Council formally adopts it. He said the City probably won't be able to lift the moratorium until July or August.

Abrams supported the timeline as presented.

*(This Work Plan to be adopted by the Council at their March 3, 2014, Regular Council meeting.)*

**STUDY ITEM #4 –  
Review Liquor  
Licensing**

Sandra Johnson, City Attorney and Doug Junker, Licensing Examiner jointly presented this item.

Johnson provided some background on liquor licensing and commented on the importance of the City conducting thorough background investigations on potential license holders.

Junker proceeded with the following presentation:

- State of MN Three-Tier System: Three tiers of liquor licenses licensed through cities.
- Liquor License Categories: Brew pubs have been added (even though Bloomington doesn't currently have any), dinner theaters, and theaters.
- Requirements/Restrictions: Bloomington has no bars, just restaurants that serve liquor. The City has a food/liquor ratio. He said staff gets requests from apartment complexes, senior citizen homes, and extended stay hotels that want to get a liquor license just for their guests. He said they're basically trying to create a private liquor establishment. He said the State and the City interprets being "open to the general public" as anyone who can go into an establishment and order a sandwich and a beer, for example.

Baloga stated he received a call from Friendship Village regarding their discussion with Mr. Junker. He asked Junker for a summary of that discussion and the status of their request.

Junker explained Friendship Village is a retirement community apartment/condo building and it doesn't meet the definition of a restaurant with staff, a menu, and meals open to the general public. They have a cafeteria for their residents but they are not, by either a weak State definition or a strong City definition, a restaurant.

Bernhardson said it's within the City's purview to interpret what the City's ordinance says. He said the City's ordinance would have to be modified to allow something at Friendship Village but it would be pushing the envelope on State law regarding "open to the public."

Junker agreed and said it would be pushing the definition of a restaurant and what "open to the public" means.

Johnson said Friendship Village could get a caterer to come in and serve liquor for special events.

Junker said a special events license would allow up to 60 events per year.

Baloga said Friendship Village talked to him about the growing demand from their guests and their visitors to have the opportunity of having beverages with their meals. As a result, he proposed the City look at what it needs to do to accommodate that situation, which he doesn't believe would be a highly contentious one.

Johnson explained State statute defines a restaurant as, "meals served at tables to the general public." She said that may be a problem and that it would take a legislative change.

Baloga said he has had several meals in Friendship Village's restaurant and considers himself part of the general public because he's not a resident living there. He said he has observed others from the public eating there also. He said there were menus, in a different form than that used in a typical restaurant. He requested the City look into this matter to see how it can be accommodated.

Bernhardson said the threshold issue goes to State law and whether someone could walk into Friendship Village's cafeteria at any time and order a meal. He said that is what constitutes being "open to the public." He said when he personally has an occasional meal in the facility in which his mother lives, he has to call ahead and make arrangements to order one. He said it's the threshold issue of what constitutes being "open to the general public." He said that is not the same as if someone is invited to have a meal by a resident who is living there. He said staff will start off with the threshold question of what constitutes "open to the public" and then the discussion can be taken from there.

**STUDY ITEM #4  
continued**

Baloga said there hasn't been a reservation requirement but understands what staff is saying. He said Council should discuss this later.

Bernhardson said staff needs to see what the State has done on this issue, as Friendship Village is not a unique issue.

Baloga agreed and said there are other places that allow it.

Staff continued with the rest of their presentation.

- License Application Review
- Conclusion: Alcoholic beverage sales are highly regulated.

Junker stated any establishment desiring to have a special event involving liquor needs to call Licensing Examiner to find out the rules.

Busse asked for the definition of "good moral character" and "repute."

Johnson reviewed a 1980's case litigated by Bloomington's former City Attorney Dave Ornstein titled; Godfather's Incorporated vs. the City of Bloomington. She said in that case, the applicant had a history of lot of bad behavior in other cities although he had never been convicted of any willful violation. She said Ornstein looked at the history and said it was a bad apple and recommended the City not license him. She said that case went all the way up to the Court of Appeals. A review was denied by the Supreme Court. They said it means your applicant is willing to operate in compliance with all applicable laws and is able to do that. She said the Licensing Examiner in Bloomington can request whatever information he deems is necessary to review that particular element. She said the Examiner is asking if the applicant is going to be in compliance with all the laws. She said Godfather's Incorporated was denied.

Oleson asked for a status update on the Total Wine application.

Johnson said Total Wine desires to come back to Council on April 21, 2014, but they haven't provided her with any materials yet. She said she will have to review the materials as long as they are submitted by the end of March. She stated the City is not holding up the Total Wine license but added staff will probably recommend an Administrative Law Judge handle the review of this application.

**Adjourn Meeting**

Acting Mayor Busse adjourned the meeting at 6:53 p.m.

Barbara Clawson  
*Council Secretary*